

Service Date: August 31, 2000

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF MILLER OIL)	
COMPANY, dba CITY LINE,)	
Application for Approval of Increased)	UTILITY DIVISION
Rates for Propane Service in the)	DOCKET NO. D2000.8.118
Culbertson, Montana, Service Area)	ORDER NO. 6263
and Approval of a Propane Cost)	
Tracking Procedure.)	

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INTERIM ORDER

BACKGROUND

1. On August 11, 2000, Miller Oil Company, dba City Line, filed an application with the Montana Public Service Commission (PSC) for approval of increased rates for propane service to consumers in the Culbertson, Montana, service area. City Line states that revenues at present rates are insufficient to meet revenue requirements and proposes a total annual increase of approximately \$123,244, to be recovered through a 48.19 percent increase in rates for customers in the metered residential/small commercial class and a 3.43 percent increase in rates for customers in the metered school class. In its application City Line also requests approval of a propane cost tracking adjustment procedure. The procedure would allow monthly adjustments to rates based on changes in propane costs, accrual of costs that are not reflected in rates, and an annual true up.

2. On August 22, 2000, the PSC issued a Notice of Opportunity for Public Hearing, with requests for hearing due by September 19, 2000.

3. City Line has proposed an across the board 41 percent increase for interim purposes. City Line argues that immediate interim relief is needed and a uniform increase is the proper tool for implementation. The PSC, through its own analysis, has determined that a 41 percent increase to both residential/small commercial customers and the two schools would be difficult to implement with the final order requesting a 48.19 percent increase proposed for residential/small commercial customers and a 3.43 percent increase for the two schools. The PSC finds that a 42.2 percent increase for residential/small commercial customers and no increase for the two schools is a better proposal to obtain the interim revenue requirement of \$108,191.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission is responsible for the supervision, regulation, and control of public utilities pursuant to the provisions of Title 69. Section 69-3-102, MCA.

2. City Line is a public utility subject to the Commission's jurisdiction. Section 69-3-101, MCA.

3. The propane service offered to the Town of Culbertson is subject to the regulatory authority of the Commission.

4. City Line is required to file with the Commission tariffs showing all rates, tolls and charges and all rules affecting rates to be charged. Section 69-3-301, MCA.

ORDER

1. City Line must file tariffs pursuant to the directives in this Order.
2. The relief granted in this Order is to be effective September 1, 2000.

DONE IN OPEN SESSION at Helena, Montana this 22nd day of August, 2000 by
a 5-0 vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY McCaffree, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the PSC
reconsider this decision. A motion to reconsider must be
file within ten (10) days. See 38.2.4806, ARM.